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PROCEDURE FOR DEVELOPMENT OF END ITEM REQUIREMENTS
FROM NATIONAL SECURITY COUNCIL DOCTRINE

Prepared by the Planning Staff/LO

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P R E F A C E

This presentation emphasizes the current operations and the Logistical Planning Cycle necessary to support them. It is believed that this shows logistical operations better than planning for a stockpile, which when established, usually remains stable. The PP and FI project developments which in their final form are only indicated as cash requirements, are not included.

This study shows the normal channels and procedures by which end item requirements develop from National Security Council Doctrine. It is understandable that there may be numerous variations to this outline.

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PROCEDURE FOR DEVELOPMENT OF END ITEM REQUIREMENTS

FROM NATIONAL SECURITY COUNCIL

DOCTRINE

The development of National Security Council (NSC) papers goes through a planning and an implementing phase. The planning phase is handled by the NSC Planning Board. This Board has the responsibility of setting up, well in advance, the agenda for the NSC. It determines items of the current world situation that warrant attention by NSC. When an item is so set up, it is developed into what might be termed a "prospective NSC paper".

The NSC Planning Board is composed of representatives of offices whose chiefs sit as members or permanent advisors to the Council. The Central Intelligence Agency representative on the Planning Board is the Deputy Director (Intelligence). When a prospective NSC paper has Agency implications, the DD/I distributes same through his NSC Section to the other Deputy and Assistant Directors concerned.

The Deputy Director most frequently concerned with the operational requirements of NSC papers is the Deputy Director (Plans). The Planning and Program Coordination Staff (PPC) is designated by DD/P to handle NSC papers. The DD/P receives the NSC paper (proposed) as such, covering a very broad scope of a particular subject or geographical area. In order to present specific goals in line with capabilities, the interpretation of this paper is accomplished by the PPC Staff. At this point, the requirement forwarded to the area division will usually lose its identity as an NSC proposed paper. The operating (or area) division will have the job of developing a detailed plan including development of requirements for support. In this initial planning phase, detailed development of end item requirements would probably not be necessary. The Logistics Office Coordinator would not likely be cut in unless the availability of a particularly important item could not readily be determined by the division's logistics office. This initial planning is in effect an informal feasibility check operationally and logistically of the proposal. The area division's plan and recommendations are returned through the DD/P/Admin for review of the planned support requirements. The DD/P/Admin Office is responsible to the DD/P for the review of all logistical requirements necessary to support area division plans. After this check by DD/P/Admin the plan and its logistical implications are forwarded to PPC. The PPC Staff returns same through the DD/P to NSC Section, DD/I, with their final thoughts on the matter. If approved throughout, the DD/I will recommend to the Planning Board that the proposed paper be presented to the NSC for their consideration.

It must be pointed out that the Agency is governed by certain basic NSC papers. Frequently, new papers give further thought on the basic document. A proposed paper may bring to light an important phase not yet

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considered. Action will commence along the line of the proposed plan. Therefore, in many instances, a NSC paper indicates further activity on a course already being followed, or it may confirm action already commenced under a proposed paper plan.

Consider now that the proposal has been presented to the NSC and accepted with or without modifications. It is then issued as a "numbered NSC paper" over the signature of the President. This paper comes to the Agency through the NSC Section, DD/I. It is forwarded to the DCI where the actual implementation is effected by his NSC representative on the Operations Coordination Board (OCB). The OCB is the implementing agency for the Council. It has representation similar to the Planning Board, from agencies whose chiefs are members or permanent advisors to the Council.

Normally, an NSC paper will be passed as such to the Deputy or Assistant Director without interpretation. Usually, as indicated above, the Deputy and/or Assistant Directors will be acquainted with the paper. If necessary, there may be an interpretation in the form of guidance obtained from the Departments of State and/or Defense through the Agency OCB representative. The Departments of State and/or Defense would be likely to provide guidance because they have coordinating and implementing responsibility for most NSC doctrine. The Central Intelligence Agency is the coordinator and/or implementor in one field, unconventional warfare. The Agency with this responsibility must monitor for OCB other government agencies to make certain that regular progress reports are submitted. Aside from this broad guidance, the PFC Staff would effect the detailed interpretation and "splinter off" to operating divisions those parts of an NSC paper which concerns them. An NSC Directive is probably not recognized as such beyond this point. PFC Staff will indicate to area divisions, by countries, an outline of operational task objectives which the NSC paper authorizes.

From this, the area division must develop the detailed operational plan (project). The division's logistics office will then formulate the detailed line item listing of material necessary to support the project.

It is desirable at this point to compare the Agency planning phases with those of the Department of Defense. The Department of Defense is used because many Agency employees are familiar in varying degrees with the different Armed Forces planning cycles. In addition, such a large part of the Agency logistical support is obtained from the Armed Forces that a knowledge of the two planning systems is valuable information for Agency logistics personnel. The Armed Forces planning is divided into three (3) groups: short range, mid-range, and long range. (The starting date for all of these plans is D-Day and/or the beginning of the Fiscal Year). These are briefly outlined as follows:

Short Range begins in six (6) months for a period of one (1) year of peace and four (4) years of war.

Mid-range begins in two (2) years for a period of one (1) year of peace and four (4) years of war.

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Long range begins in five (5) years and is for a period of five (5) years of peace.

The most important group from a logistical outlook, is the mid-range planning. The Army Mobilization Planning Cycle (the other Services have similar names) is a continuous planning operation. The logistical plan to support the operational plan results in the budget requirements for the particular Service. Although the Mobilization Planning Cycle is classed as a mid-range planning cycle, it actually starts three (3) years in advance of the particular fiscal year. Each Service logistics office starts on development of the detailed end item requirements approximately two and one half (2½) years in advance. At this particular time, the Armed Forces would like to receive the initial Agency estimate of end item requirements. These initial requirements are given an internal review by the particular Service which is equivalent to that by the Bureau of the Budget and Congress. Changes in the national policy during the period prior to the fiscal year are also incorporated in the final presentation. Each major review and change of policy requires that the end item requirements be reworked by the logistical branches of the particular Service. Similarly, Agency reworked requirements would be submitted at regular intervals for incorporation in revised Armed Forces plans. These reviews or feasibility checks continue on a set time schedule, wherein the final product must be ready for presentation to the Bureau of the Budget six (6) months before the fiscal year.

At this point, (six months before the fiscal year), the Agency requirements are actually being presented to the Armed Forces for incorporation. The PFC Staff, and DD/P/Admin indicate through the DD/P that because of the many unknowns and the constantly changing situation, this Agency cannot produce firm end item requirements until six (6) months before the fiscal year. The PFC Staff has developed a two (2) year preparation schedule which corresponds in a limited degree to the three (3) year schedule used by the Armed Forces.

This two (2) year cycle starts with the area divisions (operating divisions) indicating on a PFC policy form what they intend to do in their area of responsibility. This form is divided into columns, each headed by a general Agency functional responsibility (See Tab "A"). The division indicates by checks in these columns which functions are necessary in each country of their area in order to achieve the objectives. The operating division has available general objectives and an overall mission based on interpretations of NSC doctrine. As indicated above, the interpretations and annotations of NSC papers are provided the operating divisions by the PFC Staff. These "splinters" from NSC papers will not necessarily be recognized by the division as an excerpt from an NSC paper. They provide the particular operating division with a planning guide for the development of their plans and programs. After the PFC policy forms are submitted, the operating division will start development of their plan or fragment of a plan. This plan will outline exactly how they intend to achieve overall results. For example, the division Operational Plan will show by countries, the specific type of operations, (See Tab "A") necessary to achieve the desired results within a set period (two years maximum). The division logistics office will then develop the Logistics Annex to an Operational Plan. The Logistics Annex will show how the necessary support will be provided and will develop end item requirements converted to dollar value. After various reviews (feasibility checks) the final consolidation for the Agency end item requirements and dollar value must be ready six (6) months before the beginning of the fiscal year. This is for the budget presented by the Agency and/or the Department of Defense. The mechanics of the final budget presentation are outlined in detail below.

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Two years in advance of the fiscal year, the PPC Staff obtains from the operating divisions a listing (PPC policy form), broken down by countries, of general operations necessary to obtain the objective indicated by NSC doctrine. This procedure was mentioned above. The name of this form is "Annex A (Operations), Clandestine Services General Plan (Cold War)". When the area divisions complete these forms they are routed through the DD/P/Admin before going to PPC. The DD/P/Admin has the responsibility for supervising the preparation of the estimated support requirements for the operational plan. This consolidated support estimate is known as "Annex C (Support), Clandestine Services General Plan". Past experience allows the DD/P/Admin with assistance from the operating division logistics offices to estimate the cost of various type operations throughout the world. The consolidation of estimated costs, "Annex C", is prepared by the DD/P/Admin and constitutes roughly the Logistical Annex to the Operational Plan, "Annex A". This we may consider the beginning of the Logistical Planning Cycle.* (See footnote). The consolidation of intended operations is handled by PPC and becomes Annex A. PPC forwards the combined Annexes A and C to DD/P.

In the meantime, the operating divisions have already started on their detailed planning. The various country desks (case officers) of the area divisions were the ones that indicated on Annex A the general activities necessary to accomplish the mission in their respective countries. Projects are prepared indicating specifically how various parts of the general requirement will be performed. A group of projects will take on the form of a program. The program should accomplish the general requirement of a particular field of endeavor for the particular country. The divisions' logistics offices working with the case officers of the country desks develop the end item requirements. Price and availability are indicated for each item. The Agency Logistics Office furnishes assistance to the division logistics office in determining these factors. A collection or consolidation of country programs would form the area division Operational Plan. The end item requirement listings necessary to support the various projects when consolidated will form the Logistics Annex to the Operational Plan. These listings of end item requirements will show cost, availability and probable source of supply.

When satisfactory to the Chief of the area division, the group of projects pass to the DD/P/Admin. The DD/P/Admin compares the end item requirement listings with the Annex C Estimate. When the two are compatible the projects pass to the Office of the DD/P. (DD/P's Operations assisted by interested DD/P FI and PP Staffs check that the projects are operationally

* -- If we could compare the Agency Planning Cycle with that of the Armed Services, this would be mid-range planning which concerns itself with Logistical or Mobilization Planning Cycle (Army). Actually, the longest Agency cycle is shorter than the shortest Armed Forces cycle as was outlined in a preceding paragraph.

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compatible with Annex A). The DD/P then forwards the projects to the Project Review Committee (PRC). The PRC is an ad hoc committee headed by the Deputy Director of Central Intelligence with the DD/A, DD/I, DD/P as members and the Comptroller as an advisor. This Committee reviews each project and checks operationally to determine that each contributes toward attaining the objective. It analyzes fiscally and logistically to decide if a project is a worthy calculable risk.

Projects approved by the PRC are rearranged into programs by the area division. These then pass through the Office of the Deputy Director (Administration) (DD/A) to the Office of the Comptroller and the Logistics Office for eventual incorporation in the budget.

The Office of the Comptroller has been working on preparation of the budget necessary to support the operating division's programs. This started approximately one and one-half (1½) years before the fiscal year when the PFC Staff cost estimates were prepared from the PFC policy forms. As a "yardstick", the Comptroller compares the Fiscal Year 1953 expenditures with the Fiscal Year 1954 estimate (partially completed) to check the projected Fiscal Year 1955 budget. Flexibility is provided by dividing the budgetary requirements into three (3) categories:

- 1 - Continuance of current and firm projects.
- 2 - Practically firm projects.
- 3 - Contingency funds - These funds are estimated to cover projects which are not firm but considered necessary.

The Budget Division, Office of the Comptroller, conducts hearings where representatives of the area divisions defend their proposals. The final consolidation is reviewed by the PRC. The final proposed budget is presented to the Director, who in turn, makes the presentation to the Bureau of the Budget approximately six (6) months before the beginning of the fiscal year.

Concurrently with the budget preparation by the Office of the Comptroller, the Requirements Branch, Supply Division, Logistics Office consolidates end item requirements developed by the divisions' logistics offices. The consolidation is submitted to the Stock Management Section, Supply Operations Branch, Supply Division, Logistics Office to subtract assets. The net end item requirement is given a feasibility check by the Requirements Branch. The final product is then coordinated with the operating division and the Comptroller to balance materiel and monetary requirements. Materiel requirements procured by the Armed Forces are forwarded approximately six (6) months before the fiscal year to be included in their budget presentations.

After the budget presentations, funds are appropriated by Congress. Programs and materiel requirements are reviewed to agree with funds available. The final requirements are given to the Procurement Division, Logistics Office.

Attachments:

Tab "A"

Tab "B"

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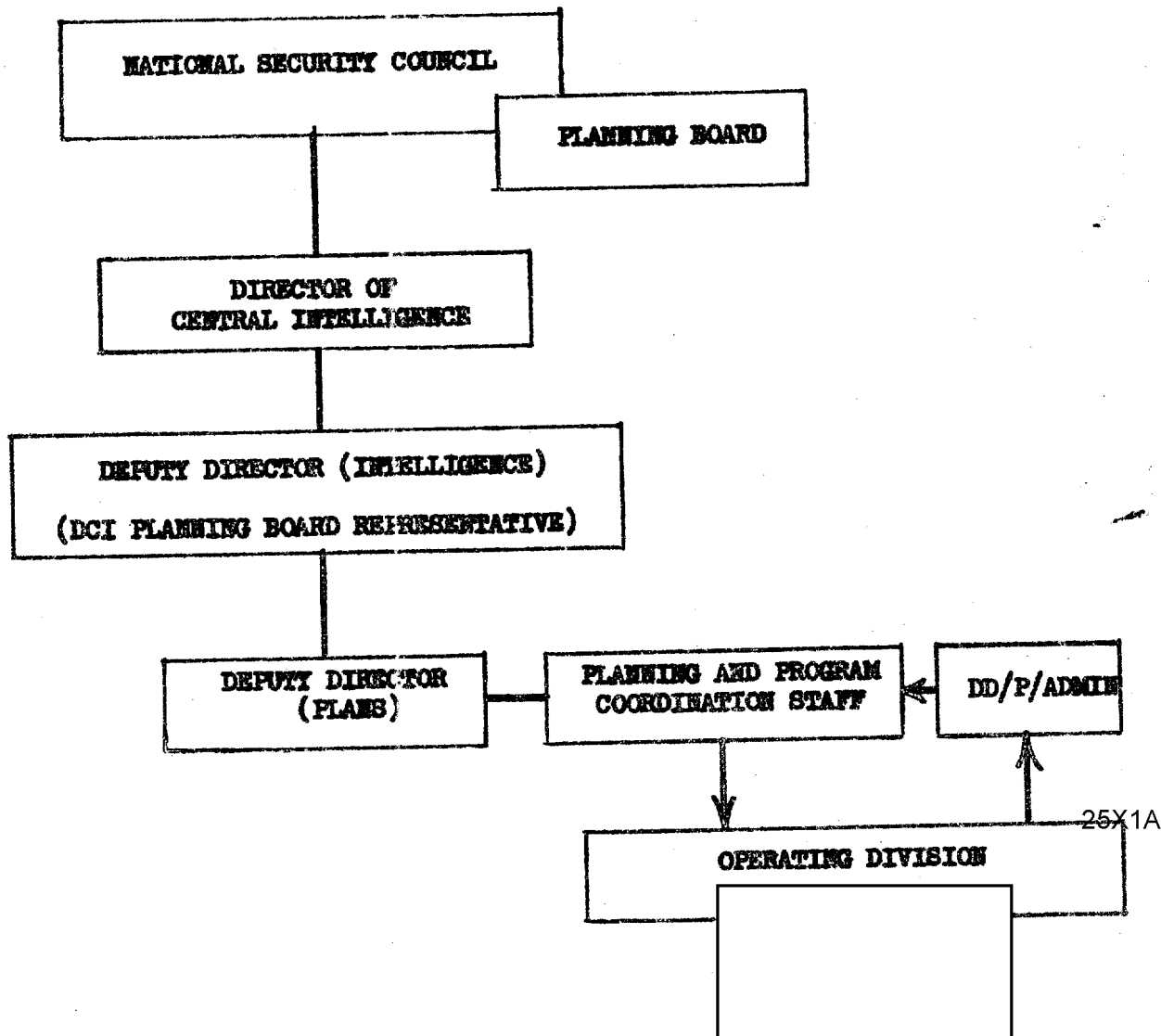
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PLANNING



(Unless otherwise indicated the proposal goes down and returns through same channel)

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